

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

Case No. _____ -CV- _____

FEDERAL TRADE COMMISSION,)
)
Plaintiff,)
)
v.)
)
INTEGRITY MARKETING TEAM, INC.,)
a Florida Corporation doing)
business as Home Business System;)
)
BYRON PETERSON, an individual doing)
business as Home Business System;)
and)
)
MIN SUNG KIM, an individual doing business)
as Home Business System, and as an)
officer of Integrity Marketing Team, Inc.;)
)
Defendants.)

07-61152
CIV - HUCK MAGISTRATE JUDGE
SIMONTON

FILED BY _____
2007 AUG 14 PM 2:26
CLERK OF U.S. DISTRICT COURT
S.D. OF FLA.-FT. L.

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), for its Complaint alleges:

1. The FTC brings this action under Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement, and other equitable relief for Defendants' deceptive acts and practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b). This action arises under 15 U.S.C. § 45(a)(1).

3. Venue in the United States District Court for the Southern District of Florida is proper under 28 U.S.C. § 1391(b) and 15 U.S.C. § 53(b).

THE PARTIES

4. Plaintiff, the Federal Trade Commission, is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The Commission is charged, *inter alia*, with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act, and to secure such equitable relief, including rescission of contracts, restitution, and disgorgement of ill-gotten monies, as may be appropriate in each case. 15 U.S.C. § 53(b).

5. Defendant Integrity Marketing Team, Inc. (“Integrity”), a Florida corporation doing business as Home Business System, uses a mailing address of 19366 S.W. 41st Street, Miramar, Florida 33029. Integrity transacts or has transacted business in the Southern District of Florida and throughout the United States.

6. Defendant Byron Peterson is an individual doing business as Home Business System. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices set forth in this Complaint. Byron Peterson transacts or has transacted business in the Southern District of

Florida.

7. Defendant Min Sung Kim is an individual doing business as Home Business System. He is also an officer of corporate Defendant Integrity. At all times material to the Complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices set forth in this Complaint. Min Sung Kim resides in and transacts or has transacted business in the Southern District of Florida.

COMMERCE

8. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS PRACTICES

9. Since at least 2004, and continuing thereafter, Defendants Byron Peterson and Min Sung Kim, doing business as Home Business System (“HBS”), have advertised, offered for sale, and sold work-at-home envelope stuffing opportunities to consumers throughout the United States, including consumers in the Southern District of Florida. Since at least April 2007, Defendant Integrity Marketing Team, Inc., has advertised, offered for sale, and sold work-at-home envelope stuffing opportunities to consumers throughout the United States, including consumers in the Southern District of Florida.

10. Defendants promote their work-at-home envelope stuffing opportunities through nationwide print classified advertisements, including ads in Spanish language newspapers, and classified ads on the Internet.

11. In their advertisements, Defendants typically offer consumers the chance to make

\$1,400 or more per week stuffing envelopes at home. For example, typical advertisements state:

HELP WANTED
\$1400/WEEK! Stuffing
Envelopes@Home
No experience necessary.
Full-time/Part-time, \$200
Cash Hiring Bonus! **888-348-1610**
888-447-4250

and

\$1400/week stuffing envelopes @ home!
Easy work, awesome income, FT/PT,
no experience necessary. \$200 Cash Hiring Bonus!
1-888-447-4250, 888-348-1610

12. Consumers who call the number provided in the advertisement hear a recorded message that thanks the consumer for “answering our ad for envelope stuffers.” The message states that Defendants’ business is a mail order support company that helps other companies market and sell products. The message also informs consumers that Defendants’ company has jobs for home-based workers to stuff envelopes, paying a guaranteed weekly paycheck of up to \$1,400 with a hiring bonus of as much as \$200.

13. The recorded message also tells consumers that there is a required deposit of as much as \$45. The message instructs consumers who are interested in Defendants’ envelope stuffing opportunity to leave their name and address so the company can send additional information and a registration form.

14. If consumers request additional information, Defendants send a two page flier titled “Guide to Home Employment” (“the Guide”). The Guide identifies Defendants’ company as HBS, and asks consumers if they “(w)ould like to earn WEEKLY INCOME OF \$1,400 OR

MORE.” In the Guide, Defendants represent that this is an opportunity to join the “highest paid team of enveloping stuffing program today.” Defendants also represent that HBS provides independent home workers for several mail order companies that want to expand without directly hiring more people. Consumers are told that “[y]our job is to secure, stuff, and mail out the envelopes to our company. You will be supplied with the envelopes, which are already stamped and addressed.” Defendants further represent that consumers will be paid \$17.50 for each envelope they stuff. They are promised “weekly paychecks for stuffing envelopes at home” that total \$1,400 or more.

15. The Guide includes a registration form that consumers can detach and mail. Consumers are asked to send a “registration deposit” of \$45 to HBS that “will help us get you started with the materials you’ll need to become an independent home worker with our company. This is only a DEPOSIT. We have a written guarantee that as soon as you send us your first 100 secured envelopes, you will have received \$1,750.00, plus a REFUND of your \$45.00 registration deposit, and a \$50.00 HIRING BONUS.” (Emphasis in original.) The registration form and the check, made payable to Home Business System, are to be mailed to the company at P.O. Box 820902, South Florida, FL 33082-0902.

16. Some of Defendants’ ads provide a Web address to an Internet site maintained by Defendants. For example, one ad reads:

\$1500 WEEKLY Guaranteed now accepting applications! \$50
CASH hiring Bonus 888-318-1638 www.USMailingGroup.com.

17. Consumers who visit Defendants’ Web site find an online version of the same Guide to Home Employment that Defendants mail to consumers. The online Guide contains the

same representations that are made in the printed version of the Guide that Defendants mail to consumers.

18. Defendants' Web site also contains a link that takes consumers to a page of "Frequently Asked Questions." This page includes a chart of earnings claims:

Secured Envelopes Per Week	30 Days Trial \$17.50 Per Envelope	After 60 Days \$25.00 Per Envelope	After 90 Days \$28.00 Per Envelope
80	\$1,400	\$2,000	\$2,240
100	\$1,750	\$2,500	\$2,800
150	\$2,625	\$3,750	\$4,200
200	\$3,500	\$5,000	\$5,600
300	\$5,250	\$7,500	\$8,400

19. Defendants' Web site also contains a registration form that consumers can fill out, print, and mail to the company, along with their \$45 registration deposit. Consumers are instructed to make their payment, either by check or money order, payable to "Home Business System." They are told to mail the registration form and payment to Home Business System, Registration Department, P.O. Box 820902, Pembroke Pines, FL 33082-0902.

20. Some consumers who send their \$45 registration fee to Defendants receive nothing in return from Defendants.

21. Other consumers who send their \$45 registration fee to Defendants receive a post card informing them that their registration form is being processed and sent to "the Home Office Branch, (located in Alabama)." The card notifies consumers that "this is where your materials will be assigned to you." The post card also lists a customer service number for consumers to call in the future. The card is often signed "Byron Peterson, Hiring Director."

22. Consumers who receive the post card thereafter receive a package of material

from Defendants, but they do not receive the envelope stuffing opportunity that Defendants have represented. The package consumers receive from Defendants does not include any envelopes to stuff. Instead, Defendants' package informs consumers that, in order to make any money, they must launch their own business offering others an envelope stuffing opportunity. Any money consumers can potentially make is dependent upon new consumers sending a new \$45 registration fee in response to consumers' solicitations.

23. Defendants instruct consumers to place advertisements (at the consumers' expense) in newspapers in different cities that repeat the same representations consumers originally saw in Defendants' ads. Defendants even include sample ads for consumers to place. For example, one sample ad reads:

Company Expanding in Your Area
EARN \$1,000 to \$5,000 in 30 days
Work From Home
\$50 Cash Hiring Bonus!!
Guaranteed in Writing!!
SEND \$45.00 Plus S.A.S.E
(Your name and address here)

24. If anyone sends \$45 in response to these new advertisements, Defendants instruct consumers to keep \$17.50 and send the remaining money to Defendants.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

25. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts or practices in or affecting commerce."

COUNT 1

26. In numerous instances, in the course of advertising, offering for sale and selling their work-at-home envelope stuffing opportunities, Defendants have represented, expressly or

by implication, that consumers are likely to make a substantial amount of money by participating in Defendants' envelope stuffing opportunity.

27. In truth and in fact, consumers are not likely to earn a substantial amount of money by participating in Defendants' envelope stuffing opportunity.

28. Therefore, Defendants' representation as set forth in Paragraph 26 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT 2

29. In numerous instances, in the course of advertising, offering for sale and selling their work-at-home envelope stuffing opportunities, Defendants have represented, expressly or by implication, that Defendants will pay consumers who participate in Defendants' envelope stuffing opportunity at least \$17.50 for every envelope stuffed.

30. In truth and in fact, Defendants do not pay consumers who participate in Defendants' envelope stuffing opportunity at least \$17.50 for every envelope stuffed.

31. Therefore, Defendants' representation as set forth in Paragraph 29 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

32. Consumers in the United States have suffered or are likely to suffer substantial monetary loss as a result of Defendants' unlawful acts or practices. In addition, Defendants have been unjustly enriched as a result of their unlawful practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

33. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary relief, including consumer redress, disgorgement and restitution, to prevent and remedy any violations of any provision of law enforced by the Federal Trade Commission.

34. This Court, in the exercise of its equitable jurisdiction, may award ancillary relief to remedy injury caused by Defendants' law violations.

PRAYER FOR RELIEF

WHEREFORE, plaintiff requests that this Court, as authorized by Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

1. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including, but not limited to, temporary and preliminary injunctions, and an order freezing assets;
2. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;
3. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

4. Award plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: 8/14/07

Respectfully submitted,

William Blumenthal
General Counsel



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